

1     **Repeal and Readopt 2 Cal. Code Regs. Section 18940 to read:**

2     **§ 18940—Guide to Gift Regulations.**

3             ~~(a) Limits on Gifts—Government Code Section 89503~~

4             ~~(b) Gift Limit Amount—Section 18940.2~~

5             ~~(c) Definition of Gift—Government Code Section 82028(a)~~

6             ~~(1) Receipt, Promise and Acceptance of Gift—Section 18941~~

7             ~~(2) Payments for Food—Section 18941.1~~

8             ~~(d) Exclusions and Exceptions~~

9             ~~(1) Exception to “Gifts” and Exception to Gift Limits—Section 18942~~

10            ~~(2) Definition of “Informational Material”—Section 18942.1~~

11            ~~(e) Return, Donation or Reimbursement of a Gift—Section 18943~~

12            ~~(f) Recipient of the Gift~~

13            ~~(1) Valuation of Gifts to An Official and His or her Family—Section 18944~~

14            ~~(2) Passes and Tickets Given to an Agency—18944.1~~

15            ~~(3) Gifts to an Agency—18944.2~~

16            ~~(g) Source of Gifts—Section 18945~~

17            ~~(1) Cumulation of Gifts; “Single” Source—18945.1~~

18            ~~(2) Intermediary of a Gift—18945.3~~

19            ~~(3) A Gift from Multiple Donors—18945.4~~

20            ~~(h) Reporting and Valuation of Gifts: General Rule—Section 18946~~

21            ~~(1) Passes and Tickets—Section 18946.1~~

22            ~~(2) Testimonial Dinners and Events—Section 18946.2~~

23            ~~(3) Wedding Gifts—Section 18946.3~~

24            ~~(4) Tickets to Nonprofit and Political Fundraisers—Section 18946.4~~

1           ~~(5) Prizes and Awards From Bona Fide Competitions—Section 18946.5~~

2           ~~(i) Travel—Section 18950 through 18950.4~~

3           ~~Note: Authority cited: Section 83112, Government Code. Reference: Sections~~  
4           ~~82028, 82030, 87100, 87103, 87207, 87302, and 89501 through 89506 Government~~  
5           ~~Code.~~

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1    **§ 18940 Gift Determination.**

2                   (a) Introduction. A gift, as defined in Section 82028(a), is a payment  
3    made by any person of any thing of value, whether tangible or intangible, real or personal  
4    property, good or service that provides a personal benefit to an official when the official  
5    does not provide full consideration for the value of the benefit received, unless an  
6    exception is provided under Section 82028(b) or pursuant to these regulations. A gift  
7    includes a rebate or a discount in the price of anything of value unless the rebate or  
8    discount is offered in the ordinary course of business without regard to official status. If a  
9    gift is reportable under the Act, it must be disclosed if the value is \$50 or more  
10   (Section 87207(b). With certain exceptions (See Wedding Gifts, Regulation 18946.3;  
11   Travel Payments, Section 89506 if a gift is reportable under the Act, it is prohibited if  
12   the value is *more than* the amount specified in Regulation 18940.2 (Section 89503(c).) If  
13   the value of any gift(s) received from one source within 12 months before the making or  
14   participation in the making of a governmental decision by an official *meets* the amount  
15   specified in Regulation 18940.2, the official has an economic interest in that source  
16   pursuant to Regulation 18703.4, and the official may have a conflict of interest with  
17   respect to that source under the Act's conflict of interest provisions (Sections 87100,  
18   87103)(e).)

19                  (b) Reportable Gift. For officials required to disclose under Section 87200 of the  
20    Act ("statutory filers"), any gift, or combination of gifts, received from any source is  
21    reportable if the gift, or the cumulative value of multiple gifts received from the source, is  
22    \$50 or more. For officials required to disclose under an agency conflict of interest code  
23    ("code filers") the gift, or combination of gifts valued at \$50 or more is only reportable if

1 received from a source identified in the reporting category to which that official has been  
2 assigned under the official's agency conflict of interest code.

3 (c) Steps for Determining Application of Gift Rules: To determine if something  
4 qualifies as a gift, follow the steps listed below.

5 (1) **Step One:** Did you (the official) receive something of value, either tangible or  
6 intangible, from another person? (See Regulation 18941 for when a gift is received/not  
7 received. See Regulation 18940.1(e) for meaning of value.)

8 (2) **Step Two:** Did you provide consideration equal to or greater than the value of  
9 the benefit received? (See Regulation 18940.1(f).)

10 (3) **Step Three:** Did what you received provide you with a personal benefit? (See  
11 Regulation 18940.1(g) and Regulation 18944.1, 18944.2, 18944.3, and 18944.4 for  
12 benefits received from an employment relationship and Regulations 18946.1 and 18946.4  
13 for unused tickets and attendance at nonprofit and political fundraising events )

14 (4) **Step Four:** If you received a discount or rebate on the price of something,  
15 including something that is offered for free, was that discount or rebate available to the  
16 general public and made available to you without regard to your official status? (See  
17 Regulation 18940.1(h).)

18 (5) **Step Five:** Is there an exception? (See Regulation 18942.)

19 (6) **Step Six:** Who is the source of the gift? (See Regulations 18945, 18945.1, and  
20 18945.3 and Sections 87210 and 87213 for Intermediaries of gift. See also Regulation  
21 18944.4 for prizes awarded in agency raffles.)

22 (7) **Step Seven:** Are you required to report any gifts from that source? (See  
23 subdivision (b) above.)

1           (8) **Step Eight:** Does the value of the gift or gifts from that source meet the  
2 reporting threshold set forth in Section 87207(b)? (For valuation, see Regulation 18946,  
3 18946.1, 18946.2, 18946.3, 18946.4, and 18946.6. For reporting of group gifts see  
4 Regulation 18945.3.)

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6           Note: Authority cited: Section 83112, Government Code. Reference: Sections  
7 82028, 82030, 87100, 87103, 87207, 87302, and 89501 through 89506 Government  
8 Code.

1 Adopt 2 Cal. Code Regs. Section 18940.1:

2 **§ 18940.1. Definitions.**

3 For purposes of the gift regulations (Regulations 18940 through 18946.6), the  
4 following definitions apply:

5 (a)(1) Reportable Gift. A “gift” is reportable only if it is made by a source that is  
6 made reportable under the Act or pursuant to an official’s filing obligations, or that is  
7 subject to the conflict of interest provisions of Chapter 7 of the Act (§§ 87100 et seq.) and  
8 its Regulations (18700-18708).

9 (b) Official. “Official” means any individual who holds a position designated in  
10 Section 87200 and 87201, or a position that is involved in the making or participation in the  
11 making of governmental decisions that may foreseeably have a material effect on any of the  
12 official’s financial interests as provided in Section 87302, or who is otherwise required to file  
13 a statement of economic interests. “Official” includes a public official, candidate, judge,  
14 court commissioner, and state or local public employee who is designated, or is required to  
15 be designated under Section 87302, in the official’s agency’s conflict of interest code.

16 (c) Filing Obligations. “Filing obligations” means the financial interest disclosure  
17 requirements imposed on an official by Sections 87200 and 87201 or the official’s  
18 conflict of interest code adopted pursuant to Article 3 of Chapter 3 beginning with  
19 Section 87300.

20 (d) Official Status/Official Position. “Official status” or “official position” means  
21 the official’s status or position as a public official, candidate, judge, court commissioner,  
22 or any other position for which filing obligations are imposed.

1 (e) A gift provides “value” if a similar benefit as that which is received by the  
2 official is available for purchase.

3 (f) Consideration of equal or greater value. “Consideration of equal or greater  
4 value” means either a monetary payment, or services rendered, or goods provided in  
5 exchange for the payment that confers the personal benefit to the official under Section  
6 82028 and includes a promise to provide such payment, services, or goods so long as the  
7 promise is fulfilled within the same calendar year and before a governmental decision is  
8 made affecting the donor of the gift.

9 (g) Personal Benefit. A “personal benefit” means a payment that benefits an  
10 individual’s private interests, activities, actions, comfort, or well being, financial or  
11 otherwise, including an individual’s private business. A personal benefit does not include  
12 any benefit that the official receives in the performance of his or her public duties so long  
13 as the benefit is substantially similar to that which the official’s agency would ordinarily  
14 provide to the official to carry out such duties or the benefit consists of a meal or  
15 overnight expense provided at an event in which all attending the event are entitled to  
16 receive at least the same benefit. Except as provide in Regulation 18946.1 for tickets, a  
17 gift received is presumed to provide a personal benefit to the recipient even if it is  
18 unused, discarded, returned, or reimbursed, or it is transferred to another person.

19 (h) Rebate or Discount. A “rebate or discount” as set forth in Section 82028 is  
20 not made in the regular course of business to members of the public without regard to  
21 official status if the rebate or discount is made solely to the official or to a select group of  
22 specific officials, such as one agency or one department or unit within an agency. A

group consisting of all state, all city, or all county officials is not considered “a select group of specific officials.”

(i) Food. “Food” includes food or beverages.

NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028, 82048, 87200, 87300, and 87302 Government Code.

Amend 2 Cal. Code Regs. Section 18940.2 to read:



1    **§ 18940.2 Gift Limit Amount.**

2           (a) For purposes of Section 89503, the adjusted annual gift ~~limitation~~ limit  
3    amount in effect for the period January 1, 2011, to December 31, 2012, is \$420.00.

4           ~~(b) The gift limitation of \$250 in Government Code section 89503 shall be~~  
5    ~~adjusted biennially by the Commission to reflect changes in the Consumer Price Index~~  
6    ~~and rounded to the nearest ten dollars (\$10). The resulting figure shall be the adjusted~~  
7    ~~gift limitation in effect until January 1 of the next odd-numbered year.~~

8           ~~(c) The adjustment shall be based upon the September forecast of U.S. Bureau of~~  
9    ~~Labor Statistics California Consumer Price Index for All Urban Consumers (CPI) for the~~  
10   ~~calendar year immediately preceding the year in which the adjustment is to take effect.~~

11          ~~(d) The adjusted gift limitation amount shall be calculated by the Commission as~~  
12   ~~follows:~~

13          ~~(1) The base dollar amount of \$250 shall be increased or decreased by the~~  
14   ~~cumulative percentage change in the annual average California Consumer Price Index~~  
15   ~~from 1990 to the end of the calendar year immediately preceding the year in which the~~  
16   ~~adjustment will take effect.~~

17          ~~(2) The dollar amount obtained by application of the calculation set forth in~~  
18   ~~subdivision (b) shall be rounded to the nearest ten dollars (\$10).~~

19    NOTE: Authority cited: Section 83112, Government Code. Reference: Sections  
20    87103(e), 89503, and 89506 Government Code.

1 Amend 2 Cal. Code Regulations Section 18941 to read:

2 **§ 18941. Receipt, Promise, and Acceptance and Return of Gifts a Gift.**

3 (a) Receipt or Acceptance of a Gift. Except as otherwise provided in ~~this section~~  
4 ~~or in California Code of Regulation, Title 2, Section 18943 subdivision (c),~~ a gift is both  
5 “received” or and “accepted” when the ~~recipient knows that he or she has either~~ official,  
6 or the official’s family member pursuant to Regulation 18943, knowingly takes actual  
7 possession of the gift, is provided the benefit of the gift, or takes any action exercising  
8 direction or control over the gift.

9 (1) ~~In the case of a A gift of a rebate or discount which based on Government Code~~  
10 ~~Section 82028, would otherwise be a gift,~~ the gift is both “received” ~~or and~~ “accepted”  
11 under subdivision (a) when the ~~recipient~~ official knows that the rebate or discount given to  
12 the official is not made in the regular course of business to members of the public without  
13 regard to official status. An official who receives a rebate or discount has the burden of  
14 showing that the rebate or discount was made in the regular course of business to members  
15 of the public without regard to official status.

16 (2) ~~Except for passes or tickets as set forth in California Code of Regulations,~~  
17 ~~Title 2, Section 18946.1(a), discarding a gift does not negate receipt or acceptance of a~~  
18 ~~gift.~~

19 (3) ~~Turning a gift over to another person does not negate receipt or acceptance of~~  
20 ~~a gift.~~

21 (b) Disqualification: Promise of a Gift. For purposes of ~~Government Code~~  
22 Sections 87100 and 87103(e), a gift is “promised” ~~on the date an offer to give the gift is~~  
23 ~~made if the recipient knows that a gift has been offered and ultimately~~ when it is offered

1 to the official if he or she thereafter obtains actual possession of the gift or takes any  
2 action exercising direction or control over the gift.

3 **[Moved from 18943]** (c) General Rule for Return, Donation, or Reimbursement  
4 of a Gift. A gift is neither accepted nor received if, within 30 days, ~~of the action~~  
5 ~~identified in subdivision (a) above~~, it is returned, donated, or reimbursed in any manner  
6 set forth below.

7 (1) The gift is returned to the donor, or to the donor's agent or the donor's  
8 intermediary from whom the item was received, unused and without receiving anything  
9 of value in exchange for the returned payment ~~unused, within 30 days of receipt or~~  
10 ~~acceptance. In such event, neither the recipient nor the donor shall be required to~~  
11 ~~disclose the receipt or making of a gift or activity expense; or~~

12 (2) The gift is donated, unused, to a charitable organization ~~within 30 days of~~  
13 ~~receipt or acceptance~~, without being claimed as a charitable contribution for tax purposes  
14 or donated to a state, local, or federal government agency. ~~In such event, neither the~~  
15 ~~recipient, nor the donor shall be required to disclose the receipt or making of a gift or~~  
16 ~~activity expense; or~~

17 (3) ~~The gift is donated unused, to a state, local, or federal government agency,~~  
18 ~~within 30 days of receipt or acceptance, without being claimed as a deduction for tax~~  
19 ~~purposes. In such event, neither the recipient, nor the donor shall be required to disclose~~  
20 ~~the receipt or making of a gift or activity expense; or~~

21 (4) The recipient official ~~within 30 days of receipt or acceptance~~, reimburses the  
22 donor, ~~or the donor's agent, or~~ the donor's intermediary from whom the payment was  
23 received, for all in full, or a portion of the gift thereof. ~~In such event, If the donor is not~~

1 reimbursed for the full value of the payment, the value of the gift the official has received  
2 is reduced by the amount of the reimbursement, and the amount of any gift or activity  
3 expense which must be disclosed is reduced by the amount of the reimbursement.

4 (d) Relief from Disqualification, ~~by Return, Donation, or Reimbursement.~~ In  
5 order to relieve the ~~recipient~~ official of an otherwise disqualifying financial interest under  
6 Section 87100 based upon the receipt ~~or acceptance~~ of a gift ~~valued at \$420 or more~~  
7 ~~pursuant to Government Code section 87100~~ as identified under Section 87103(e) and  
8 Regulation 18940.2, and for the purposes of exempting the payment from the definition  
9 of a gift under Section 82028(b)(2), the return, donation, or reimbursement of the gift  
10 pursuant to subdivision (a) above:

11 (1) Must occur within 30 days of receipt ~~or acceptance~~ and ~~prior to~~ before the date  
12 the ~~recipient~~ official makes, participates in making, or uses his or her official position to  
13 influence the governmental decision in question; or

14 (2) If the return, donation, or reimbursement has not been made ~~prior to~~ before the  
15 decision, the ~~recipient~~ official must publicly disclose the receipt ~~or acceptance~~ of the ~~gift~~  
16 payment on the public record, disclose its value, and declare that the return, donation, or  
17 reimbursement will occur within two working days following the decision. The  
18 subsequent return, donation, or reimbursement must be made within two working days,  
19 and within 30 days from receipt or acceptance, and it must be documented in the public  
20 record.

21 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections  
22 82028(b)(2), 87100, 87103, 87207, 87302 and 89503, Government Code.

1     Rescind 2 Cal. Code Regulations Section 18941.1 to read:

2     ~~§ 18941.1. Payments for Food for Elected Officials and Candidates.~~

3             ~~Except as provided in Government Code section Section 82028 and California~~

4     ~~Code of Regulations, Title 2, section 18727.5, 18941, 18942, 18943, 18946.2(e),~~

5     ~~18946.5, 18950.3, and 18950.4, a payment made to an elected officer or candidate for his~~

6     ~~or her food is a gift.~~

7     ~~NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,~~

8     ~~87207 and 89501 through 89506, Government Code.~~

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1 Amend 2 Cal. Code Regulations Section 18942 to read:

2 **§ 18942. Exceptions to Gift and Exceptions to Gift Limits.**

3 (a) For purposes of Section 82028 and the gift regulations, none of the following  
4 payments is a gift ~~and none is subject to any limitation on gifts~~:

5 (1) Informational material as defined by Regulation 18942.1. (Section  
6 82028(b)(1).)

7 (2) ~~Except for passes and tickets as provided in Regulation 18946.1, a~~ A gift  
8 payment that is not used and that, ~~within 30 days after receipt, pursuant to Regulation~~  
9 18941 is returned, ~~or donated pursuant to Regulation 18943, or for which reimbursement~~  
10 ~~is paid pursuant to said Regulation 18943.~~ (Section 82028(b)(2).)

11 (3) A gift payment from: ~~an individual's~~ the official's spouse, or former spouse;  
12 child; or step child; parent; grandparent; grandchild; brother; sister; current or former  
13 parent-in-law, brother-in-law, or sister-in-law; nephew; niece; aunt; or uncle; including  
14 grand nephew, grand niece, grand aunt, or grand uncle, or first cousin including first  
15 cousin once removed or the spouse, or former spouse, of any such person, unless the  
16 donor is acting as an agent or intermediary for any person not identified in this  
17 ~~subdivision (a)(3) paragraph.~~ (Section 82028(b)(3).)

18 (4) A campaign contribution required to be reported under Chapter 4 of the Act  
19 (commencing with ~~Government Code section~~ Section 84100). (Section 82028(b)(4).)

20 (5) Any devise or inheritance. (Section 82028(b)(5).)

21 (6) A personalized plaque or trophy with an individual value of less than two  
22 hundred fifty dollars (\$250). (Section 82028(b)(6).)

23 (7)(A) The cost of home hospitality, as defined in Regulation 18942.2, ~~(including~~

1 food, beverages, or occasional lodging) provided to an official. ~~by an individual in the~~  
2 individual's home when the individual is present, unless one of the following provisions  
3 applies:

4 (i) Any part of the cost of the hospitality is paid directly or reimbursed by another  
5 person.

6 (ii) Any person deducts any part of the cost of such hospitality as a business  
7 expense on any government tax return.

8 (iii) ~~There is an understanding between the individual extending the hospitality~~  
9 ~~and another person that any amount of compensation the individual receives from that~~  
10 ~~person includes a portion to be utilized to provide gifts of hospitality in the individual's~~  
11 ~~home.~~

12 (B) ~~In determining the applicability of subparagraph (A), the following apply:~~

13 (i) ~~The cost of providing hospitality does not include any part of the value or~~  
14 ~~rental cost of the home nor does it include any depreciation value on the home where the~~  
15 ~~hospitality is extended.~~

16 (ii) ~~An official may presume that the cost of home hospitality is paid by the host~~  
17 ~~unless the host discloses to the official, or it is clear from the surrounding circumstances~~  
18 ~~at the time the hospitality is provided, that a person, other than the host, paid the cost of~~  
19 ~~the hospitality.~~

20 (8) Gifts Benefits commonly exchanged, between an individual who is required to  
21 ~~file a statement of economic interests and another individual, other than a lobbyist an~~  
22 official and an individual who is not a lobbyist, on holidays a holiday, birthdays, or  
23 ~~similar other~~ occasions, to the extent that the gifts value of the benefits exchanged ~~are is~~

1 not substantially disproportionate ~~in value~~, and ~~include~~ including any benefits received by  
2 the official attending a birthday party, retirement dinner, or other similar celebration, for  
3 another individual whether or not a reciprocal event is held, so long as the official  
4 receives substantially the same benefit as all other attendees at the event and the event is  
5 paid for by the honoree or other individual, other than a lobbyist, hosting the event on  
6 behalf of the honoree. ~~For purposes of this subdivision, and notwithstanding Regulation~~  
7 ~~18946.2(b), “gifts exchanged” includes food, beverages, entertainment, and nominal~~  
8 ~~benefits provided at the occasion~~

9 (9) Leave credits, including vacation, sick leave, or compensatory time off,  
10 donated to ~~an~~ the official in accordance with a bona fide catastrophic or similar  
11 emergency leave program established by the official's employer and available to all  
12 employees in the same job classification or position. ~~This shall not include~~ except for  
13 donations of cash.

14 (10) Payments received under a government agency program or a program  
15 established by a bona fide charitable organization exempt from taxation under ~~section~~  
16 Section 501(c)(3) of the Internal Revenue Code designed to provide disaster relief or  
17 food, shelter, or similar assistance to qualified recipients if ~~such~~ the payments are  
18 available to members of the public without regard to official status.

19 (11) Free admission, transportation, lodging, food, and nominal refreshments and  
20 ~~similar~~ any non-cash nominal benefits provided to a filer the official ~~at an event at which~~  
21 ~~the filer gives a speech, participates in a panel or seminar, or provides a similar service,~~  
22 ~~and transportation and any necessary lodging and subsistence that is exempt under~~



1 ~~Regulation 18950.3~~ permitted by Section 89506. ~~These items are not payments and need~~  
2 ~~not be reported by the filer.~~

3 (12) The transportation, lodging, and subsistence specified by Regulation  
4 18950.4.

5 (13) ~~A ticket or pass, provided to an official for his or her admission~~ Admission to  
6 an event at which the official performs a ceremonial role or function on behalf of the  
7 agency, so long as the official's agency complies with the posting provisions set forth in  
8 Regulation 18944.1, subdivision (d). For local agencies, posting requirements are in  
9 compliance with those provisions if the posting is made on the city or county website in  
10 lieu of the specific agency. Any official who attends the event as part of his or her job  
11 duties to assist the official who is performing the ceremonial role is providing  
12 consideration for the admission and has not received a gift.

13 (14) A prize or award received in a bona fide competition not related to the  
14 official's status. A prize or award that is not a gift is income.

15 (15) Payments for campaign activities as specified in Regulation 18950.4 and  
16 18950.5.

17 (16) Benefits received as a guest attending a wedding so long as the benefits are  
18 provided in substantially the same manner as the benefits received by the other guests  
19 attending the wedding.

20 (17) Bereavement offerings in memory of and concurrent with the passing of a  
21 spouse, parent, child, or sibling or other close relative of the official.

22 (18) (A) Acts of neighborliness. A service performed, such as a loan of an item,  
23 occasional ride, or assistance in making a repair that is not normally part of an economic

1 transaction between like participants in a similar transaction so long as the individual  
2 providing the benefit to the official meets the requirements listed under (D)(i-iii) below.

3 (B) Bona Fide Date or Dating Relationship. Personal benefits commonly  
4 exchanged between people who are dating, so long as the individual providing the benefit  
5 to the official meets the requirements listed under (D)(i-iii) below.

6 (C) Acts of Human Compassion. Donations, monetary or otherwise, provided to  
7 an official, or an official's family member, to offset family medical or living expenses  
8 that the official can no longer meet without assistance because of an accident, illness,  
9 employment loss, death in the family, or other unexpected calamity; or to defray  
10 expenses associated with humanitarian efforts such as the adoption of an orphaned child,  
11 so long as the source of the donation is an individual who has a prior social relationship  
12 with the official of the type where it would be common to provide such assistance (such  
13 as a relative, long-term friend, neighbor, co-worker or former co-worker, member of the  
14 same local religious or other similar organization, etc.), or the payment is made without  
15 regard to official status under other circumstances in which it would be common to  
16 receive community outreach, so long as the source of the donation meets the  
17 requirements listed under (D)(i-iii) below.

18 (D) The person providing the benefit to the official is none of the following:

19 (i) A lobbyist who communicates with the official's agency for the purpose of  
20 influencing legislative or administrative action;

21 (ii) An individual, including an individual who represents or is known, or should  
22 be known, to have a substantial interest in a business entity, directly involved, as defined

1 in Regulation 18704(a), in a governmental decision in which the official will reasonably  
2 foreseeably participate or has participated in the last 12 months; or

3 (iii) An individual who is subject to the regulatory authority of the official's  
4 agency. As used herein, an individual is "subject to the regulatory authority of the  
5 official's agency" if, and only if, the individual, including any business entity in which  
6 the individual has an financial interest, is among the group of persons from whom the  
7 official is required to report gifts under his or her filing obligations and it is reasonably  
8 foreseeable that the individual, or the individual's business entity, will be involved in a  
9 regulatory action in which the official will participate or has participated in the last 12  
10 months.

11 (b) The following ~~items, if they are otherwise~~ gifts are exempt from the  
12 limitations on gifts described in Section 89503:

13 (1) Payments for transportation, lodging, and subsistence that are exempt from  
14 limits on gifts by Section 89506 and Regulations 18950, et seq.

15 (2) Wedding gifts.

16 (3) Gifts received in a bona fide dating relationship as provided in subdivision  
17 (a)(18) above from individuals identified that do not qualify under the exception provided  
18 in subdivision (a)(18)(D)(i-iii), above. These gifts are [OPTION: not reportable but are]  
19 subject to the Act's conflict of interest provisions.

20 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
21 86113, 86203, 87100, 87103, 87207, 87302 and 89503, Government Code.

1 Amend 2 Cal. Code Regulations Section 18942.1 to read:

2 **§ 18942.1 Definition of “Informational Material.”**

3 “Informational material” means any ~~item which~~ payment that serves primarily to  
4 convey information and ~~which~~ that is provided to the official for the purpose of assisting  
5 ~~the recipient~~ him or her in the performance of his or her official duties or the duties of the  
6 elective office he or she seeks. Informational material may include:

7 (a) Books, reports, pamphlets, calendars, periodicals, ~~videotapes~~ audio or video  
8 recordings, or free or discounted admission to informational conferences or seminars.

9 (b) Scale models, pictorial representations, maps, and other such items, provided  
10 that ~~where~~ when the item has a fair market value in excess of \$420 the gift limit amount,  
11 the burden shall be on the recipient to demonstrate that the item is informational material.

12 (c) On-site demonstrations, tours, or inspections designed specifically for the  
13 purpose of assisting the ~~recipient public officials or candidates~~ official in the performance  
14 of ~~either their official duties or of the elective office they seek~~ his or her official duties or  
15 the duties of the elective office he or she seeks so long at the demonstration, tour, or  
16 inspection is an integral part of the conveyance of the information. No payment for  
17 transportation to an inspection, tour, or demonstration site, nor reimbursement for any  
18 expenses in connection therewith, shall be deemed “informational material” ~~except~~  
19 ~~insofar as such~~ unless transportation is not reasonably available by common  
20 ~~commercially~~ commercial transportation obtainable.

21 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
22 87103(e), 87207 and 89503, Government Code.

23 Adopt 2 Cal. Code Regulations Section 18942.2 to read:

1 Adopt 2 Cal. Code Regulations Section 18942.2 to read:

2 **§ 18942.2 Definition of Home Hospitality.**

3 Home Hospitality. “Home hospitality” means any benefit received by the official  
4 and the official’s spouse and children consisting of food, entertainment of a nominal cost,  
5 or occasional overnight lodging provided by an individual who is not a lobbyist in the  
6 individual’s home when the individual is present and includes similar benefits received  
7 by the official when the official serves as a host in the official’s home. “Home” includes  
8 a vacation home owned, rented, or leased, by the individual, including a timeshare with  
9 deeded ownership or a continual right-to-use ownership benefit, and a motor home or  
10 boat owned, rented, or leased by the individual. Home also includes any facility in which  
11 the individual has a right-to-use benefit by his or her home residency, such as a  
12 community clubhouse. Any benefit received, other than the use of the premises, by any  
13 guests other than the official and the official’s spouse and their children who are present  
14 at the request of the official or the official’s agent are gifts to the official.

15 Note: Authority cited: Section 83112, Government Code. Reference: Sections  
16 82028, 87207 and 89503, Government Code.

1 Adopt 2 Cal. Code Regulations Section 18942.3 to read:

2 **§ 18942.3 Definition of Ceremonial Role.**

3         A “ceremonial role” is an act performed by the official as a representative of the  
4 official’s agency at the request of the holder of the event or function where, for a period  
5 of time, the focus of the event is on the act performed by the official. Examples of a  
6 ceremonial role are: throwing out the first pitch at a baseball game, cutting a ribbon at an  
7 opening, making a presentation of a certificate, proclamation, award, or other item, or in  
8 any way being acknowledged by the host before the audience in recognition of the  
9 support provided by the official or the official’s agency. Individual agencies may adopt  
10 specific policies for their own agencies either limiting or expanding the above examples.  
11 If a separate agency policy is adopted, the policy shall be forwarded to the Commission  
12 for posting on the Commission’s website.

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1 Rescind 2 Cal. Code Regulations Section 18943 to read:

2 **~~§ 18943. Return, Donation, or Reimbursement of a Gift.~~**

3 ~~(a) General Rule for Return, Donation, or Reimbursement of a Gift. A gift is~~  
4 ~~neither accepted nor received if it is returned, donated, or reimbursed in any manner set~~  
5 ~~forth below.~~

6 ~~(1) The gift is returned to the donor, or to the donor's agent or unused, within 30~~  
7 ~~days of receipt or acceptance. In such event, neither the recipient nor the donor shall be~~  
8 ~~required to disclose the receipt or making of a gift or activity expense; or~~

9 ~~(2) The gift is donated, unused, to a charitable organization within 30 days of~~  
10 ~~receipt or acceptance, without being claimed as a charitable contribution for tax purposes.~~  
11 ~~In such event, neither the recipient, nor the donor shall be required to disclose the receipt~~  
12 ~~or making of a gift or activity expense; or~~

13 ~~(3) The gift is donated, unused, to a state, local, or federal government agency,~~  
14 ~~within 30 days of receipt or acceptance, without being claimed as a deduction for tax~~  
15 ~~purposes. In such event, neither the recipient, nor the donor shall be required to disclose~~  
16 ~~the receipt or making of a gift or activity expense; or~~

17 ~~(4) The the recipient within 30 days of receipt or acceptance, reimburses to the~~  
18 ~~donor, or the donor's agent, or intermediary, for all in full, or a portion of the gift thereof.~~  
19 ~~In such event, the value of the gift the official has received is reduced by the amount of~~  
20 ~~the reimbursement, and the amount of any gift or activity expense which must be~~  
21 ~~disclosed is reduced by the amount of the reimbursement.~~

22 ~~(b) Relief from Disqualification by Return, Donation, or Reimbursement. In~~  
23 ~~order to relieve the recipient of an otherwise disqualifying financial interest based upon~~

1 ~~the receipt or acceptance of a gift valued at \$420 or more pursuant to Government Code~~  
2 ~~section 87100 the return, donation, or reimbursement of the gift pursuant to subdivision~~  
3 ~~(a) above:~~

4 (1) ~~Must occur within 30 days of receipt or acceptance and prior to the date the~~  
5 ~~recipient makes, participates in making, or uses his or her official position to influence~~  
6 ~~the governmental decision in question; or~~

7 (2) ~~If the return, donation, or reimbursement has not been made prior to the~~  
8 ~~decision, the recipient must publicly disclose the receipt or acceptance of the gift on the~~  
9 ~~public record, disclose its value, and declare that the return, donation, or reimbursement~~  
10 ~~will occur within two working days following the decision. The subsequent return,~~  
11 ~~donation, or reimbursement must be made within two working days, and within 30 days~~  
12 ~~from receipt or acceptance, and it must be documented in the public record.~~

13 ~~NOTE: Authority cited: Section 83112, Government Code. Reference: Sections~~  
14 ~~82028(b)(2), 87100, 87103, 87207, 87302 and 89503, Government Code.~~



1 Renumber and Amend 2 Cal. Code of Regulations Section 18944 to read:

2 **§ 18944 18943. Gift to Official Members of an Official's or Candidate's Through**  
3 **Family Member.**

4 (a) Scope of Regulation. This regulation ~~applies when determining whether a gift~~  
5 determines when a payment to a public official's or candidate's an official's family  
6 ~~member also constitutes a gift to the public official or candidate for purposes of the Act~~  
7 will be treated as if it were a gift given directly to the official.

8 (b) ~~Definitions.~~ For purposes of this regulation, the ~~following definitions apply~~  
9 term

10 (1) ~~"Official" means a public official as defined in Section 82048 or a candidate~~  
11 ~~as defined in Section 82007.~~

12 (2) ~~"Official's family" or "family member" includes~~ means any of the following  
13 individuals:

14 (A) ~~An official's~~ The official's spouse.

15 (B) A "dependent child" of the official as defined in Regulation 18229.1.

16 (C) ~~An official's~~ The official's child (including an adoptive child or stepchild)  
17 who meets all of the following criteria:

18 (i) Is at least 18 but no more than 23 years old and is a full-time or part-time  
19 student.

20 (ii) Has the same principal place of residence as the official. For purposes of this  
21 provision, a place, located away from the official's residence, at which the child resides  
22 for the purpose of attending school is not the child's "principal place of residence."

23 (iii) Does not provide over one-half of his or her own support.

1           (c) ~~A single gift given to both an official and one or more members of the~~  
2     ~~official's family is a gift to the official for the full value of the gift.~~

3           (d) ~~The following applies to a gift~~ An item given solely to provided to or for the  
4     use of a family member of an official's family. is a gift to the official when:

5           (1) ~~A gift given solely to a member of an official's family is a gift to the official~~  
6     There is no established working, social, or similar giftable relationship between the donor  
7     and the family member that would suggest an association or correlation between the  
8     donor and the family member suitable or appropriate for making the type of payment  
9     provided to the family member, or:

10          (2) There is evidence to suggest the donor had a purpose to influence the official.  
11     ~~when the gift confers a clear personal benefit on the official. A gift to an official's a~~  
12     ~~family member confers a clear personal benefit on the official~~ Evidence to suggest the  
13     donor had a purpose to influence the official exists ~~made~~ in any of the following  
14     circumstances:

15          (A) ~~It is reasonably foreseeable at the time the gift is made that the official will~~  
16     ~~enjoy a financial benefit from the gift. A "financial benefit" from a gift includes, but is~~  
17     ~~not limited to, a payment, other than occasional meals, lodging, or local transportation, to~~  
18     ~~fulfill a commitment, obligation, or expense of the type normally paid by a family for the~~  
19     ~~ordinary care and support of one of its members.~~

20          (B) ~~It is reasonably foreseeable at the time the gift is made that the official will~~  
21     ~~use the gift, except for a minimal use.~~

22          (C) ~~The official exercises discretion and control over who will use or dispose of~~  
23     ~~the gift. Exercising "discretion and control" includes, but is not limited to, when an~~

1 official, or his or her agent, requests a gift for, or to used by, the official's a family  
2 member.

3 ~~(2) A gift given solely to a member of an official's family and not covered under~~  
4 ~~subdivision (1) is a gift to the official if the gift confers a presumed personal benefit on~~  
5 ~~the official. A gift to an official's family member confers a presumed personal benefit on~~  
6 ~~the official in any of the following circumstances:~~

7 (A) The gift payment is made to a family member of a state agency official ~~who~~  
8 ~~is subject to Section 87200~~ by a donor who is a lobbyist, lobbying firm, lobbyist  
9 employer, or other person required to file reports under Chapter 6 (commencing with  
10 Section 86100) of the Act and who lobbies the agency that employs the official.

11 (B) The gift payment is made to a family member of a state or local government  
12 agency official ~~who is subject to Section 87200~~ by a donor who ~~is or has been directly~~  
13 ~~involved in a governmental decision~~, has initiated a proceeding before the official's  
14 agency or is a named party or the subject of a proceeding before the official's agency in  
15 as defined in the Act's conflict of interest rules under Regulation 18704.1(a), ~~or who is~~  
16 ~~the subject of a pending proceeding~~ in which the official will foreseeably participate or  
17 has participated ~~in~~ within the prior last 12-months period.

18 (C) The payment is made to a family member by a person who has a contract with  
19 the official's agency or a person that engages in the type of business that would seek  
20 contracts with or come before the agency for the purpose of receiving a license, permit,  
21 or other entitlement and the official makes or participates in governmental decision as  
22 defined in the Act's conflict of interest regulations (Regulation 18702 et seq.) of the type  
23 in which the person may foreseeably engage.

1           ~~(3) Exceptions~~

2           ~~(A) There is no gift to an the official under paragraph (1) if both of the following~~  
3 ~~circumstances apply:~~

4           ~~(i) The official can show there is a substantive working, social, or similar~~  
5 ~~relationship between the donor and the official's family member independent of the~~  
6 ~~relationship between the donor and the official, and the donor had no intent to confer a~~  
7 ~~personal benefit directly on the official.~~

8           ~~(ii) The person who made the gift is not a donor identified in paragraphs (2)(A)~~  
9 ~~or (2)(B).~~

10          ~~(B) There is no gift to an official under paragraph (2) if the official can show~~  
11 ~~there is a substantive working, social, or similar relationship between the donor and the~~  
12 ~~official's family member independent of the relationship between the donor and the~~  
13 ~~official, and that the donor had no intent to confer a personal benefit directly on the~~  
14 ~~official.~~

15          ~~(e) This regulation does not apply to the type of gift that, under the Act or other~~  
16 ~~Commission regulations, would not be considered a gift if given directly to the official.~~

17 Note: Authority cited: Section 83112, Government Code. Reference: Section 82028,  
18 Government Code.

1 Renumber and Amend 2 Cal. Code Reg. Section 18944.2 to 18944 and to read:

2 **§ ~~18944.2~~ 18944. Gifts Payments Made to an Agency For Use By Agency Official.**

3 (a) Applicability. This regulation ~~sets forth circumstances under which identifies~~  
4 when a payment made to a state or local government agency ~~that is controlled by the~~  
5 ~~agency and used~~ that the agency then controls and uses for official agency business, is not  
6 ~~considered a reportable or limited gift to an individual public official~~ the official of that  
7 agency who uses the payment in performing his official duties, although even if the  
8 official receives a personal benefit from the payment.

9 (b) Definitions.

10 (1) "Payment" means a payment as defined in Section 82044 and includes a  
11 monetary payment to an agency, a loan, gift, or other transfer, and the payment for, or  
12 provision of, goods or services to an agency as identified in subdivision (a) where the  
13 person providing such payment has no legal obligation to do so.

14 (2) "Agency head" means ~~an~~ the individual in whom the ~~who has the~~ ultimate  
15 legal authority ~~of an~~ for the agency ~~is vested, or who has been delegated authority to~~  
16 ~~make determinations by the agency for purposes of this regulation~~ the individual the  
17 agency authorizes to determine how the agency uses the payment as provided in  
18 paragraph (c)(1).

19 (c) ~~Gift~~ Payment to an Agency. A payment, ~~that is would otherwise be a gift to a~~  
20 ~~public official, as defined in Section 82028, shall be considered a gift to the public~~  
21 ~~official's agency and~~ is not a gift to the public official who receives the benefit of the  
22 payment if it meets all of the following requirements ~~are met:~~

23 (1) Agency Head Controls Use of Payment. The agency head, or his or her

1 designee, determines and controls the agency's use of the payment including the selection  
2 of the agency official who will use the payment. The donor may identify a purpose for  
3 the payment, but the donor may not designate by name, title, class, or otherwise, ~~an~~ the  
4 official who may use the payment. ~~If the payment will provide a personal benefit to an~~  
5 ~~official, the agency head, or his or her designee, shall select the individual who will use~~  
6 ~~it.~~ The agency official who determines and controls the agency's use of the payment may  
7 not select himself or herself as the individual who will use the payment unless there is no  
8 other agency official qualified or if the payment is for attendance at an event where the  
9 agency head or other individual serves as a representative of the agency at the event.

10 (2) Official Agency Business. The payment ~~must be~~ is used for official agency  
11 business.

12 (3) Agency Reports the Gift. Within 30 days after ~~use of~~ the payment is used, the  
13 agency reports the payment on a form prescribed by the Commission, and maintained  
14 pursuant to the provisions of subdivision (d), that includes the following information:

15 (A) A description of the payment, the date received, the intended purpose and  
16 how the payment was used, and the amount of the payment (or the actual or estimated  
17 fair market value of the goods or services provided if the amount is unknown).

18 (B) The name and address of the donor. If the donor is not an individual, the  
19 report ~~shall~~ must also describe the business activity, or the nature and interests of the  
20 entity. If the donor has raised funds from ~~other persons~~ another person for the specific  
21 purpose of making the payment to the agency, the report ~~shall~~ must contain the ~~names~~  
22 name of each person and ~~amounts~~ the amount given by ~~these persons~~ each person.

1 (C) The agency's use of the payment, and the name, title, and department of the  
2 agency official ~~for whom~~ who used the payment ~~was used~~. The report ~~shall~~ must include  
3 the date(s) and place(s) of travel, and ~~a breakdown~~ an itemization of ~~the total~~ all expenses  
4 for transportation, lodging, meals and other related expenses.

5 (D) The ~~form is signed by~~ signature of the agency head, or his or her designee  
6 ~~and maintained by the agency as a public record subject to inspection and copying under~~  
7 ~~Section 81008(a).~~

8 (d) The form must be maintained by the agency as a public record subject to  
9 inspection and copying under Section 81008(a) and filed and posted as follows:

10 ~~(E)~~ (1) A state agency ~~shall~~ must provide the completed form to the Commission  
11 (or, in the case of the Commission, to the office of the Attorney General), within 30 days  
12 after ~~use of~~ the agency used the payment, by mail, personal delivery, electronic mail, or  
13 facsimile. If the state agency maintains a website, the state agency ~~shall~~ must also post a  
14 copy of the form, or the information in the form, on its website in a prominent fashion  
15 within 30 days after ~~use of~~ the agency used the payment. If the state agency does not  
16 maintain a website, the Commission shall post a copy of the form, or the information in  
17 the form on its website.

18 ~~(F)~~ (2) A local agency ~~shall~~ must provide the completed form, to the filing officer  
19 who receives the agency employees' statements of economic interests, within 30 days  
20 after ~~use of~~ the agency used the payment, by mail, personal delivery, electronic mail or  
21 facsimile. The filing officer shall post a copy of the form or the information in the form  
22 on its website, in a prominent fashion or, if it does not maintain a website, ~~shall~~ it must

1 provide a copy of the form to the Commission, which shall post the information on its  
2 website.

3 ~~(G)~~ (3) The individual in the agency who has official custody of these forms is  
4 the filing officer for the forms; ~~keeps~~ and must keep a log of the forms under both the  
5 name of the agency and official receiving the payment, and ~~maintains~~ maintain the forms  
6 for ~~a period of not less than~~ at least four years.

7 ~~(d)~~ (e) Limitations on Application of this Regulation. The exception provided in  
8 subdivision (c) does not apply to the following payments:

9 (1) A payment for travel, including transportation, lodging, and meals, for a state  
10 or local elected officer, as defined in Section 82020, or an official specified in Section  
11 87200.

12 (2) A payment for travel to the extent that it exceeds the agency's reimbursement  
13 rates for travel, meals, and lodging, and other actual and necessary expenses, or if the  
14 agency has no standard policy or practice concerning reimbursement rates, the State per  
15 diem rates as set forth in applicable sections of the State Administrative Manual and  
16 Department of Personnel Administration regulations, or the Internal Revenue Service  
17 rates for reimbursement of these expenses as set forth in the U.S. General Service  
18 Administration's website under "Per Diem Rates" and Internal Revenue Service  
19 Publications 463 and 1542, or their successors.

20 (3) A payment for travel that the agency head, or his or her designee, has not  
21 preapproved in writing in advance of the date of the trip.

22 (4) ~~Passes or tickets~~ A pass or ticket, as described in Regulation 18944.1, which  
23 shall be governed by that regulation.



1           ~~(e)~~ (f) Public Colleges and University Research Projects. Notwithstanding ~~this~~  
2 ~~regulation~~ the above provisions, a donation to a California public college or university for  
3 a specific research project that is received consistent with the requirements of Regulation  
4 18702.4(c) or a meal received in the course of the college's or university's official  
5 fundraising activity, which qualifies under federal and state law for a deduction as a  
6 charitable contribution for educational purposes, ~~will be deemed~~ is not a gift to the  
7 official of the college or university.

8           ~~(f)~~ (g) Payments from the Federal Government. Notwithstanding ~~this regulation~~  
9 the above provisions, a grant, reimbursement, funding, or other payment received by a  
10 state or local government agency from a federal government agency for education,  
11 training, or other inter-agency programs, ~~will~~ is not ~~be considered~~ a gift to the ~~public~~  
12 official who receives a personal benefit from the payment.

13           (h) Notwithstanding the above provisions a payment made for admission to an  
14 event at which an official makes a speech, transportation, and necessary lodging, food, or  
15 beverages, and nominal non-cash benefits provided to the official in connection with making  
16 the speech is not a "payment" as defined in Section 82044 and is not reportable ~~if all of the~~  
17 ~~following apply:~~

18           ~~(1) The speech is for official agency business and the official is representing his or~~  
19 ~~her government agency in the course and scope of his or her official duties.~~

20           ~~(2) The payment is a lawful expenditure made only by a federal, state, or local~~  
21 ~~government agency for purposes related to conducting that agency's official business. For~~  
22 ~~purposes of this subdivision, a payment made to the agency by a nongovernmental source~~  
23 ~~that is earmarked for use by or reimbursement of an official specified by the source is not a~~  
24 ~~"payment by a federal, state, or local government agency."~~

1           ~~(3) The official making the speech is not a state or local elected officer, as defined in~~  
2   ~~Section 82020, or an official specified in Section 87200.~~

3   Comments:

4       1. Acceptance of a pass or discount from a transportation company by a public  
5   officer, other than a Public Utilities Commissioner, may result in forfeiture of the  
6   official's office pursuant to Article XII, Section 7 of the California Constitution.

7   NOTE: Authority cited: Section 83112, Government Code.

8   Reference: Sections 82028, 82030, 82044, 87100, 87103, 87207, 87302 and 89501  
9   through 89506, Government Code.

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1 Amend 2 Cal. Code Regs. Section 18944.1 to read:

2 **§ 18944.1. Gifts: Agency Provided Tickets or Passes to Events.**

3 For purposes of this regulation ~~“ticket or pass”~~ “ticket,” and “pass” as defined in  
4 Regulation 18946, means apply solely to an admission to a facility, event, show, or  
5 performance for an entertainment, amusement, recreational, or similar purpose provided  
6 by an agency to, or at the behest of, an official of that agency, other than a ticket  
7 identified in Regulation 18942 (a)(13).

8 (a) ~~Ticket or pass provided by source other than official’s agency. A ticket or~~  
9 ~~pass provided to an official for his or her admission to an event at which the official~~  
10 ~~performs a ceremonial role or function on behalf of the agency is not a gift to the official.~~

11 (b) ~~Ticket or pass provided to official by official’s agency.~~

12 (1) ~~When an agency provides a ticket or pass to an official of that agency, the A~~  
13 ~~ticket or pass is not subject to the provisions of this regulation, provided that if the~~  
14 ~~official treats the ticket or pass as income consistent with applicable state and federal~~  
15 ~~income tax laws and the agency reports the distribution of the ticket or pass as income to~~  
16 ~~the official in complying compliance with the reporting provisions of subdivision (d)~~  
17 ~~below.~~

18 (2) ~~(b) When an agency provides a ticket or pass to a public official that~~  
19 ~~otherwise meets the definition of gift under Section 82028 and is not exempt under~~  
20 ~~applicable Commission regulations, the The official will meet the burden under Section~~  
21 ~~82028 that equal or greater value has been provided in exchange therefor, provided that~~  
22 for the ticket or pass if all of the following requirements are met:

1           ~~(A) (1) With respect to a~~ For a ticket or pass the agency receives from an outside  
2 source, other than as provided in subdivision (b)(2) provided to an official by the  
3 official's agency:

4           ~~(i) (A)~~ The ticket or pass is not earmarked by the original outside source for use  
5 by the agency official who uses the ticket or pass;

6           ~~(ii) (B)~~ The agency determines, in its sole discretion, which official may use who  
7 receives the ticket or pass.

8           ~~(iii) (C)~~ The distribution of the ticket or pass by the agency is made in accordance  
9 with a policy adopted by the agency in accordance with that incorporates all of the  
10 provisions of subdivision (c) below.

11           ~~(B) (2) With respect to a ticket or pass provided by the official's agency to an~~  
12 ~~agency official, which ticket or pass~~ For a ticket or pass the agency obtains (i) pursuant to  
13 the terms of a contract for use of public property, (ii) because the agency controls the  
14 event (such as a state or county fair), or (iii) that is purchased by the agency by purchase  
15 at fair market value, the distribution of the ticket or pass is made in accordance with a  
16 policy adopted by the agency that incorporates all of the provisions of subdivision (c)  
17 below.

18           (c) Agency Ticket/Pass Distribution Policy. Any distribution of ~~tickets or passes~~  
19 a ticket or pass under ~~subdivision (b) by an agency~~ this regulation to, or at the behest of,  
20 ~~its officials~~ an agency official must be made pursuant to a written agency ticket  
21 distribution policy, duly adopted by the legislative or governing body of the agency that  
22 ~~state the public purposes to be accomplished by the agency policy. If the agency~~

1 ~~maintains a website, the written policy shall be posted on the website in a prominent~~  
2 ~~fashion. The written policy shall contain~~ contains, at a minimum, the following:

3 (1) a A provision setting forth the public purposes of the agency to be  
4 accomplished by the distribution ~~of tickets or passes~~ policy;

5 (2) a A provision requiring that the distribution of any ticket or pass ~~by the agency~~  
6 to, or at the behest of, an agency official accomplish a stated public purpose of the  
7 agency; and

8 (3) a A provision prohibiting the transfer ~~by any official~~ of any ticket ~~or pass,~~  
9 ~~distributed to such official~~ received by an agency official pursuant to the ~~agency~~  
10 distribution policy, ~~to any other person,~~ except to members of the official's immediate  
11 family solely for their ~~personal use~~ attendance at the event with the official.

12 (d) ~~The distribution~~ Public Posting. A record of a ticket or pass distributed  
13 pursuant to this regulation, ~~including a ticket or pass that is provided to the official under~~  
14 ~~subdivision (b) (a)(1) above, shall~~ must be posted, on a form provided by the  
15 Commission, in a prominent fashion on the agency's website, within 30 days after the  
16 ~~distribution~~ date of the event. If the agency does not maintain a website, the form ~~shall~~  
17 must be maintained as a public record, be subject to inspection and copying under  
18 Section 81008(a), and be forwarded to the Commission for posting on its website. The  
19 posting ~~shall~~ must include the following:

20 (1) The name of the person receiving the ticket or pass, except that if the ticket or  
21 pass is distributed to an organization outside the agency, the agency may post the name,  
22 address, description of the organization, and the number of tickets or passes provided to  
23 the organization in lieu of posting the names of each individual from the organization;

- 1 (2) A description of the event;
- 2 (3) The date of the event;
- 3 (4) The face value of the ticket or pass;
- 4 (5) The number of tickets or passes provided to each person;
- 5 (6) If the ticket or pass is behested, the name of the official who behested the
- 6 ticket ~~or pass~~; and
- 7 (7) A description of the public purpose under which the distribution was made or,
- 8 alternatively, that the ticket or pass was distributed as income to the official.
- 9 (e) The Commission recognizes the discretion of the legislative or governing
- 10 body of an agency to determine whether the distribution of a ticket or pass serves a
- 11 legitimate public purpose of the agency, provided the determination is consistent with
- 12 state law.
- 13 (f) The provisions of ~~subdivision (b)~~ this regulation apply only to the benefits the
- 14 official receives ~~by the admission and are not applicable to any other benefits the official~~
- 15 ~~may receive~~ that are ~~not included~~ provided to all members of the public with the
- 16 ~~admission, such as food or beverages, or any other item presented to the official at the~~
- 17 ~~event~~ price of the ticket.
- 18 (g) A ticket provided to a school district official or employee to attend an amateur
- 19 event performed by students of that district is not a gift and need not be reported under
- 20 this regulation.
- 21 (h) Admission to an event by an official whose primary job duties require the
- 22 official to be at the event to perform a function of the position (e.g. health inspector,

1 building inspector, emergency personnel) is not a gift and need not be reported under this  
2 regulation.

3 NOTE: Authority cited: Section 83112, Government Code. Reference: Section 82028,  
4 Government Code.

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1 Rescind 2 Cal. Code Regulations Section 18944.3 to read:

2 **§ 18944.3. Gifts from a Government Agency to Officials in that Agency.**

3 ~~Except as provided in Regulations 18944.1 and 18944.2, a payment by a~~  
4 ~~government agency from that agency's assets that provides food, beverage,~~  
5 ~~entertainment, goods, or services of more than a nominal value to an official in that~~  
6 ~~agency is a gift to that official unless the payment is a lawful expenditure of public~~  
7 ~~moneys.~~

8 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
9 Government Code.



1 Renumber and Amend 2 Cal. Code Regs. Section 18944.4 to 18944.2 and to read:

2 **§ ~~18944.4~~ 18944.2. Agency Raffles and Gift Exchanges of Presents.**

3 (a) Applicability. This regulation identifies when a payment made by a state or  
4 local government agency ~~in the form~~ of an item awarded to an agency ~~employee~~ official  
5 in a raffle open to all employees of the agency, or the unit of the agency holding the  
6 raffle, or ~~in an agency gift exchange~~ received in an exchange of presents among agency  
7 employees, will be treated as a gift to the ~~employee~~ official.

8 (b) Agency Raffles.

9 (1) When an agency holds an employee raffle and the item awarded in the raffle  
10 has been received by the agency from a source other than an agency employee and the  
11 agency did not purchase the item from its funds, the ~~payment item~~ is a gift to the  
12 ~~employee~~ from the source who provided the item to the agency to the official who wins  
13 the item, and the agency is the intermediary of the gift. The value of the gift is the fair  
14 market value less any consideration ~~paid by the employee~~ that the official paid to  
15 participate in the raffle. If the value of the gift is \$50 or more ~~and the employee is~~  
16 ~~required to report the gift on his or her statement of economic interests~~, the agency and  
17 the ~~employee~~ official shall comply with Section 87210 or Section 87313 ~~as if~~ applicable.

18 (2) When an agency holds an employee raffle and the item awarded in the raffle  
19 has been obtained with agency funds or is otherwise an asset of the agency and not  
20 donated to the agency by a non-agency source, the provisions of Regulation 18944.3  
21 apply.

1 (3) When an agency holds an employee raffle and the item awarded in the raffle  
2 has been received by the agency from an agency employee who is not acting as an  
3 intermediary for another donor, the item is not a gift to the employee who wins the raffle.

4 (c) Agency ~~Gift Exchanges~~ Exchanges of Presents Among Agency Employees.  
5 When an employee of an agency ~~participates in an employee gift~~ receives a present in an  
6 exchange of presents, where all participants in the exchange are agency employees, any  
7 ~~item present~~ received by the ~~employee~~ official in the ~~gift~~ exchange is not a gift so long as  
8 the ~~item present~~ received is provided by another employee of the agency and ~~the gifts are~~  
9 is not substantially disproportionate in value from the item provided by the official.

10 (d) This regulation does not apply to ~~passes or tickets~~ a ticket or pass of the type  
11 described in Regulation 18944.1 that is provides which shall be governed by that  
12 regulation if the ticket or pass is provided from a source other than an agency employee.

13 NOTE: Authority cited: Section 83112, Government Code. Reference: Section 82028,  
14 Government Code.

1 Amend 2 Cal. Code Regs. Section 18945 to read:

2 **§ 18945. Source of Gifts.**

3 ~~(a) Source. A person is the source of a gift if the person makes a gift to an official~~  
4 ~~and is not acting as an intermediary.~~

5 ~~(b) Gifts through an Intermediary. A person acts as an intermediary for someone else~~  
6 ~~in making a gift to the official under any of the following conditions:~~

7 ~~(1) A person is the source of a gift, and a third party is an intermediary of the a gift~~  
8 ~~under Sections 87210 or 87313, if the person either makes a payment to the third party and~~  
9 ~~the payment is used directly or indirectly by the third party to make a gift to an official under~~  
10 ~~any of the following conditions:~~

11 ~~(A) The person directs and controls the payment at the time it is used by the third~~  
12 ~~party to make a gift to the official.~~

13 ~~(B) The person and third party have agreed that the payment will be used by the third~~  
14 ~~party to make a gift to the official.~~

15 ~~(C) The person identifies the official to the third party as the intended beneficiary of~~  
16 ~~the payment prior to the third party making the payment to the official.~~

17 ~~(D) The third party identifies the official to the person as the intended beneficiary of~~  
18 ~~the payment prior to the person making the payment to the third party.~~

19 ~~(E) The person knows or has reason to know that the sole or primary purpose of the~~  
20 ~~payment is to make gifts to officials.~~

~~(F) The official or the official's agent solicits the payment from the person to the third party for the purpose of making a gift to the official.~~

~~(2) For purposes of subdivisions (b)(1)(C) and (b)(1)(D), a person or third party "identifies the official" if the person or third party identifies the official by name or any other designation of the official from which it is clear the person or third party is referring to the official, or if the person or third party identifies a group of officials from one or more specific state or local government agencies and the official is part of that group.~~

~~(c) A person who pays dues or similar payments for membership in a bona fide association, including any federation, confederation, or trade, labor, or membership organization is not the source of gifts made by the association to an official unless the sole or primary purpose of the dues or similar payments is to make gifts to officials.~~

~~(d) Presumption of Source by Officials. An official may presume that the person delivering the gift or, if the gift is offered but has not been delivered, the person offering the gift to him or her is the source of the gift unless either of the following apply:~~

~~(1) The person delivering or offering the gift discloses to the official the actual source of the gift.~~

~~(2) It is clear from the surrounding circumstances at the time the gift is delivered or offered that the person delivering or offering the gift is not the actual source of the gift.~~

~~(3) The official solicits a payment pursuant to subdivision (b)(1)(F) and receives or is offered a gift responsive to the solicitation within 12 months of making the solicitation. (e)~~

~~Presumption of Source by Intermediaries. A third party otherwise qualifying as an intermediary as a result of a payment solicited from an official pursuant to subdivision~~

1 ~~(b)(1)(F) may presume that he or she is the source of the gift, and is not required to disclose~~  
2 ~~the actual source of the gift as required by Regulation 18945.3, when both of the following~~  
3 ~~apply:~~

4 ~~(1) The third party does not know or have reason to know of the official's solicitation.~~

5 ~~(2) The third party does not qualify as an intermediary under subdivisions (b)(1)(A)–~~

6 ~~(b)(1)(E).~~

7 (a) A person is the source of a gift if the person makes a gift to an official, unless  
8 acting as an intermediary as described in subdivision (b).

9 (b) The source of a payment to a third party, which is used by the third party to  
10 make a gift to an official, is the source of the gift, and the third party is an intermediary,  
11 under any of the following conditions:

12 (1) The source and third party have agreed that the payment will be used to make  
13 a gift to the official.

14 (2) The source identifies the official by name or other clear reference, or identifies  
15 a group of public officials, which includes the official, as the intended beneficiary of the  
16 payment prior to the gift to the official.

17 (3) The third party identifies the official by name or other clear reference, or  
18 identifies a group of public officials, which includes the official, as the intended  
19 beneficiary of the payment prior to the source making the payment to the third party.

20 (4) The source knows or has reason to know that the sole or primary purpose of  
21 the payment is to make gifts to officials.

22 (5) The official or the official's agent solicits the payment from the source for the  
23 purpose of making a gift to the official.

1           (d) Notwithstanding subdivision (b), an official may presume that the person  
2           delivering the gift or, if the gift is offered but has not been delivered, the person offering  
3           the gift to him or her is the source of the gift unless one of the following applies:

4           (1) The person delivering or offering the gift discloses to the official the actual  
5           source of the gift.

6           (2) It is clear from the surrounding circumstances at the time the gift is delivered  
7           or offered that the person delivering or offering the gift is not the actual source of the gift.

8           (3) The official solicited the payment used to make the gift pursuant to  
9           subdivision (b)(5).

10           (e) Notwithstanding subdivision (b), a third party otherwise qualifying as an  
11           intermediary as a result of a payment solicited from an official pursuant to subdivision  
12           (b)(5) may presume that he or she is the source of the gift, and is not required to disclose  
13           the actual source of the gift as required by Regulation 18945.3, when both of the  
14           following apply:

15           (1) The third party does not know or have reason to know of the official's  
16           solicitation.

17           (2) The third party does not qualify as an intermediary under subdivisions (b)(1)-  
18           (b)(4).

19           Note: Authority cited: Section 83112, Government Code. Reference: Sections  
20           82028, 86111, 86201, 86203, 87100, 87103, 87207, 87210, 87302, 87313 and 89503,  
21           Government Code

Amend 2 Cal. Code Regs. Section 18945.1 to read:

**§ 18945.1. Cumulation Aggregation of Gifts; “Single” Source.**

For purposes of the ~~limitations~~ gift limits and reporting requirements in ~~Government Code Sections 89501 through 89506~~ Sections 86203, 89503, ~~two or more~~ separate gifts from two or more sources are ~~enumulated~~ aggregated as being from a “single” single source if in any of the following circumstances apply:

(a) ~~The Gifts~~ separate gifts are from an individual and an entity in which the individual has an ownership interest of more than 50 percent ~~shall be cumulated as being from a “single” source unless the individual did not direct and control the gift from the entity.~~ An individual who has an ownership interest of more than 50 percent is presumed to direct and control the gift from the entity.

(b) ~~Except as provided in subdivision (a),~~ The separate gifts are from an individual and an entity ~~shall be cumulated as being gifts from a “single” source if and~~ the individual in fact ~~directs and controls~~ directed and controlled the decision of the entity to make the ~~gifts~~ gift.

(c) ~~If~~ The gifts are from two or more entities and the same person or a majority of the same persons ~~in fact directs and controls~~ directed and controlled the decisions of ~~two or more~~ the entities to make ~~gifts~~ the gifts to ~~one or more public officials or~~ candidates, ~~gifts by those affiliated entities shall be~~ are cumulated as being from a “single” single source the official.

(d) Business entities in a parent-subsidary relationship, or business entities with the same controlling (more than 50 percent) owner, shall be considered a “single” single source unless the business entities ~~act~~ acted independently in their decisions to make ~~gifts~~

1 ~~the gifts to one or more public officials or candidates.~~ For purposes of this regulation, a  
2 parent-subsidiary relationship exists when one business entity owns more than 50 percent  
3 of another business entity.

4 NOTE: Authority cited: Section 83112, Government Code. Reference: Section 89501  
5 through 89506 Government Code.

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1     **Repeal 2 Cal. Code Regs. Section 18945.3:**

2     **§ 18945.3 Intermediary of Gift.**

3             ~~§ 87210 (a) Intermediaries of Gifts to Persons Required to File Under Title 9,~~  
4     ~~Chapter 7, Article 2 of the Government Code—No person shall make a gift totaling fifty~~  
5     ~~dollars (\$50) or more in a calendar year to a person described in Article 2 on behalf of~~  
6     ~~another, or while acting as an intermediary of agent of another, without disclosing to the~~  
7     ~~recipient of the gift both his own full name, street address, and business activity, if any,~~  
8     ~~and the full name, street address, and business activity, if any, of the actual donor. The~~  
9     ~~recipient of the gift shall include in his Statement of Economic Interests the full name,~~  
10    ~~street address, and business activity, if any, of the intermediary or agent and the actual~~  
11    ~~donor.~~

12            ~~§ 87313 (b) Intermediaries of Gifts to Persons Required to File Under Title 9,~~  
13    ~~Chapter 7, Article 3 of the Government Code—No person shall make a gift of fifty~~  
14    ~~dollars (\$50) or more in a calendar month on behalf of another person, or while acting as~~  
15    ~~an intermediary of agent of another to a person whom he knows or has reason to know~~  
16    ~~may be required to disclose the gift pursuant to a conflict of interest code, without~~  
17    ~~disclosing to the recipient of the gift both his own full name, street address, and business~~  
18    ~~activity, if any, and the full name, street address, and business activity, if any, of the~~  
19    ~~actual donor. The recipient of the gift shall include in his Statement of Economic~~  
20    ~~Interests the full name, street address, and business activity, if any, of the intermediary or~~  
21    ~~agent and the actual donor.~~

22            ~~§ 86203 (c) Notwithstanding subdivision (a) or (b) above, it shall be unlawful for~~  
23    ~~a lobbyist or lobbying firm to act as an intermediary in the making of any gift aggregating~~

1 ~~more than \$10 per calendar month to a state candidate, elected state officer, legislative~~  
2 ~~official or agency official of any agency required to be listed on the registration statement~~  
3 ~~of the lobbying firm or the lobbyist employer of the lobbyist.~~

4 ~~NOTE: Authority cited: Section 83112, Government Code.~~

5 ~~Reference: Sections 86203, 87210, and 87313, Government Code.~~

1 Amend and Renumber 2 Cal. Code Regs. Section 18945.4 to read:

2 **§ 18945.4 18945.3. A Gift from Multiple Donors Group Gifts.**

3 ~~A gift which is received from multiple donors must be reported if the gift's value~~  
4 ~~equals or exceeds \$50. The name of any donor whose share of the gift is less than \$50~~  
5 ~~dollars in value need not be separately reported; it is sufficient to describe in general~~  
6 ~~terms those who gave the gift. If, however, the share of any donor or his or her [agent or]~~  
7 ~~intermediary is \$50 or more in value, his or her name must be reported. If an official~~  
8 ~~receives a gift valued at \$50 or more from a group of persons, the official need only~~  
9 ~~report any source(s) of the gift who donates \$50 or more to the overall value of the gift.~~  
10 ~~In addition, any donation to the group gift made by any person for whom the official is~~  
11 ~~required to report a gift shall be aggregated with any other gift made by that person. A~~  
12 ~~gift from a single organization is not a group gift from the members of that organization.~~

13 Note: Authority cited Section 83112, Government Code. Reference: ~~Section~~ Sections  
14 82028 and 87207 Government Code.

1 Amend 2 Cal. Code Regulations Section 18946 to read:

2 **§ 18946 Reporting and Valuation of Gifts.**

3 (a) ~~Scope of Section General Gifts.~~ Except as specified in ~~2 Cal. Code Regs.~~  
4 ~~sections~~ the subdivisions (b) and (c) a gift shall be is valued at fair market value as of the  
5 date of receipt ~~or promise.~~ Sections 18946.1 through 18946.5 provide for the valuation  
6 of specific types of gifts in the following situations.

7 (b) ~~Passes and Season Tickets~~ Ticketed Events — See Regulation 18946.1

8 ~~Testimonial Dinners and Events, Invitation-Only Events, and Ceremonial~~

9 ~~Functions~~ — See Regulation 18946.2

10 Wedding Gifts — See Regulation 18946.3

11 Tickets to Nonprofit and Political Fundraisers — See Regulation 18946.4

12 ~~Prizes and Awards From Bona Fide Competitions~~ — ~~Regulation 18946.5~~

13 Air Transportation — See Regulation 18946.6

14 (b) ~~General Rule for Valuation of Unique Gifts.~~ Whenever the fair market value  
15 of a gift cannot readily be ~~ascertained~~ determined because the gift is unique or unusual,  
16 ~~the value shall be the cost to the donor, if known or ascertainable. If the cost to the donor~~  
17 ~~is unknown or unascertainable, the recipient~~ official ~~shall~~ must make a reasonable  
18 approximation. ~~In making such an approximation, the recipient shall take into account~~  
19 ~~the price of similar items. If similar items are not available as a guide, based on a good~~  
20 faith estimate ~~shall be utilized.~~

21 (c) Except as specified in ~~2 Cal. Code of Regs. sections Regulation 18943, 18944,~~  
22 ~~and 18946.1, a gift must be valued, for purposes of disclosure and disqualification,~~

1 Regulation 18946.1(a) and (b), the value of a gift is its full value even if unused, partially  
2 used, discarded, or given transferred to another person.

3 (d) Definitions: For purposes of this ~~section~~ regulation and ~~2-Cal. Code Regs.~~  
4 ~~sections Regulations~~ Regulations 18946.1, ~~through 18946.5~~ 18946.2, 18946.3, 18946.4, and 18946.6  
5 and ~~section~~ Regulation 18640, the following definitions apply:

6 (1) “Face Value.” ~~The term “face value”~~ “Face value” means the price as offered  
7 for sale to the general public indicated on the ticket or pass or, if ~~no~~ that price is not  
8 indicated, the price at which the ticket or ~~similar~~ pass would otherwise be offered for sale  
9 to the general public by the operator of the venue or host of the event who offers the  
10 ticket for public sale.

11 (2) “Ticket/~~Pass.~~” A “ticket” ~~or “pass” means anything that~~ is anything that  
12 ~~provides an access, entry, or admission privilege to an~~ a specific future event or function  
13 ~~and for which similar tickets or passes are offered for sale~~ sold to the public and include  
14 any benefits that the ticket provides.

15 (3) “Pass.” A “pass” is anything that provides repeated access, entry, or  
16 admission to a facility or series of events and for which similar passes are sold to the  
17 public.

18 ~~(3)~~ (4) “Invitation.” An ‘invitation’ means a request to attend an event or  
19 function by the host, sponsor, or organizer of the event or function, ~~that is not a ticket or~~  
20 ~~pass as defined above in subsection (d)(2) of this section and 2-Cal Code Regs. section~~  
21 ~~18944.1, and~~ where admission to the event is provided by ~~such~~ the invitation only and not  
22 by a ticket or pass as defined above.

1           (5) “Invitation Only Event.” An “invitation only event” is a gathering of  
2 individuals, who attend by invitation and where costs are incurred to hold the event  
3 beyond the costs of providing food.

4           (4) (6) “Specific Item.” The term “specific item” “Specific item” means a  
5 tangible item received by an official or candidate the official receives at an event that is  
6 ~~not~~ included among the non-cash nominal items presented to all attendees at the event.

7 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
8 87207, ~~and~~ 87302, and 89503, Government Code.

1 Amend 2 Cal. Code Regulations Section 18946.1 to read:

2 **§ 18946.1. ~~Reporting and~~ Exception — Valuation of Gifts: Passes and Tickets.**

3 (a) ~~A pass or~~ Unless otherwise indicated herein, the value of a ticket that provides  
4 ~~one-time admission or access to facilities, goods, services, or other incidental tangible or~~  
5 ~~intangible benefits (including a pass to motion picture theaters, amusement parks, parking~~  
6 ~~facilities, country clubs, and similar places or events, and also including a ticket for~~  
7 ~~theater, opera, sporting, or similar event, but not including travel and lodging)~~ shall be  
8 ~~valued at~~ is the face value of the ~~pass or ticket, provided that the face value is a price that~~  
9 ~~was, or otherwise would have been, offered to the general public. A pass or ticket has no~~  
10 ~~face~~ reportable value unless it is ultimately used or transferred to another person.

11 (b) ~~A pass or~~ The value of a ticket pass that provides repeated admission or access  
12 ~~to facilities, goods, services, or other incidental tangible or intangible benefits (including~~  
13 ~~a pass to motion picture theaters, amusement parks, parking facilities, country clubs, and~~  
14 ~~similar places or events, and also including a season ticket for theater, opera, sporting, or~~  
15 ~~similar season events, but not including travel and lodging)~~ shall be valued is determined  
16 as follows:

17 (1) For purposes of disclosure and the gift limits, the value ~~shall be the fair~~  
18 ~~market value of the actual use of the pass or ticket by the recipient, including guests who~~  
19 ~~may accompany the recipient and who are admitted with the pass or ticket, plus the fair~~  
20 ~~market value of any possible use by any person or persons to whom the privilege of use~~  
21 ~~of the pass or ticket is transferred~~ of a pass is equal to the face value of an individual one-  
22 time admission multiplied by the actual use of the pass by the official and any other  
23 individuals who are admitted with the pass up to the face value of the pass.

1           (2) For purposes of disqualification, the value ~~shall be the actual use of the pass~~  
2 ~~or ticket by the official, including guests who may accompany the official and who are~~  
3 ~~admitted with the pass or ticket, plus the fair market value of any possible use by any~~  
4 ~~person or persons to whom remaining and unused portion of the season pass or ticket the~~  
5 ~~official transfers the privilege of use of the pass or ticket, through the date of the~~  
6 ~~governmental decision in question, plus the fair market value of the maximum reasonable~~  
7 ~~use following the date of the decision.~~ of a pass is the face value. If the official returns  
8 the pass ~~or any unused tickets prior to~~ before the decision, the value ~~shall be determined~~  
9 ~~pursuant to subdivision (b)(1)~~ is the actual use of the pass made prior to the decision, as  
10 provided in subdivision (b)(1).

11           (3) A pass ~~or ticket~~ has no ~~face~~ reportable value unless it is ultimately used or  
12 transferred to another person.

13 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
14 87207 and 87302, Government Code.



1 Amend 2 Cal. Code Regulations Section 18942 to read:

2 **§ 18946.2. Reporting and Exception — Valuation of Gifts: Testimonial Dinners and**  
3 **Events, Attendance at Invitation-Only Events, and Ceremonial Functions.**

4 (a) Testimonial Dinners. ~~When an official or candidate is honored at a testimonial~~  
5 ~~dinner or similar event, at which campaign fundraising for the official or candidate does~~  
6 ~~not occur, the value received is the official's or candidate's pro rata share of the cost of the~~  
7 ~~event, plus the value of any specific item that is presented to the official or candidate at~~  
8 ~~the event.~~

9 (b) Invitation-Only Events. Except as provided in ~~subdivision~~ subdivisions ~~(d)~~  
10 ~~(c) through (f)~~ (e) of this regulation or in Regulation 18946.4(b), ~~when an official or~~  
11 ~~candidate to determine the admission value of the benefit received by an official who~~  
12 ~~attends an invitation-only event, such as a banquet, party, gala, celebration, or other~~  
13 ~~similar function, other than a nonprofit or political fundraiser as set forth in 2 Cal. Regs.~~  
14 ~~section 18946.4, is the official's or candidate's pro rata share of the cost of the event,~~  
15 ~~plus the value of any specific item that is presented to the official or candidate at the~~  
16 ~~event~~ the official may use either the fair market value of the food, entertainment, and any  
17 item provided to the official at the event or the official's pro-rata share of the cost of the  
18 food, entertainment, and any item provided to the official.

19 (e) ~~(b)~~ “Pro-rata share of the cost of the ~~event~~ food, entertainment, and any item  
20 provided to the official.” The term “pro rata share of the cost of the ~~event~~ food,  
21 entertainment, and any item provided to the official” means the cost of all food, ~~and~~  
22 ~~beverages, rent of the facilities, decorations, entertainment, and any specific item~~

1 ~~presented to all attendees as part of the event, and all other costs associated with the~~  
2 ~~event~~, divided by the number of acceptances or the number of attendees.

3 ~~(d)~~ (c) Official or Ceremonial Functions. When an official performs an official  
4 or ceremonial a function at an invitation-only event, ~~as set forth in subdivision (b) of this~~  
5 ~~regulation~~, in which the official is invited to ~~participate~~ attend to carry out a function of,  
6 or as a representative of, the official's agency by the event's sponsor or organizer ~~to~~  
7 ~~perform an official or ceremonial function~~, the value ~~received is the cost of any food or~~  
8 ~~beverages~~ provided to the official is not reportable so long as the official receives the  
9 same food as the other attendees at the event ~~plus the value of any specific item that is~~  
10 ~~presented to the official at the event.~~

11 ~~(e)~~ (d) Drop-In Visit. Except as provided in subdivision ~~(f)~~ (e) of this regulation,  
12 if an official attends an invitation-only event ~~referred to in subdivision (a) or (b) of this~~  
13 ~~regulation~~ and ~~does not stay for~~ leaves without receiving any meal or entertainment  
14 ~~otherwise provided at the event~~, and receives only minimal appetizers and drinks, the  
15 ~~value of the gift received is the cost of the food and beverages consumed by the official~~  
16 ~~and guests accompanying the official, plus the value of any specific item that is presented~~  
17 ~~to received by the official at the event. For purposes of this subdivision, "entertainment"~~  
18 ~~means a feature show or performance intended for an audience, and does not include~~  
19 ~~music provided for background ambiance. the nominal value of the benefit received is not~~  
20 reportable.

21 ~~(f)~~ (e) Lobbyists, Lobbying Firms, and Lobbyists Employers. ~~Where~~ When an  
22 official attends an invitation-only event ~~referred to in subdivision (a) or (b) of this~~  
23 ~~regulation~~, sponsored by any person required to file a periodic statement under Article 1

1 of Chapter 6 of ~~this title~~ the Act, the value of the gift is determined pursuant to the  
2 provisions of ~~2 Cal. Code Regs. section~~ Regulation 18640.

3 (f) For purposes of this regulation, “entertainment” means a feature show or  
4 performance intended for an audience, and does not include music provided for  
5 background ambiance.

6  
7 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
8 86201, 86203, 87103, 87207, 87302 and 89501 through 89506, Government Code.

1 Amend 2 Cal. Code Regulations Section 18942 to read:

2 **§ 18946.3. ~~Reporting and~~ Exception — Valuation of Gifts: Wedding Gifts.**

3 Notwithstanding the provisions of ~~California Code of Regulations, Title 2,~~  
4 ~~Section Regulation~~ 18944, the value to the official of a wedding gifts gift given to an  
5 official and his or her spouse or spouse-to-be ~~are considered as gifts to both spouses~~  
6 ~~equally, and the official is deemed to receive~~ is one-half of the gift's total value as  
7 ~~determined pursuant to California Code of Regulations, Title 2, Section 18946,~~ unless the  
8 gift is ~~peculiarly adaptable to~~ singularly appropriate for the personal use and enjoyment  
9 of one spouse or specifically ~~and unequivocally~~ intended exclusively for the personal use  
10 and enjoyment by one spouse, ~~in which event then~~ the full value of the gift is attributed to  
11 that spouse.

12 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
13 87207 and 87302, Government Code.

1 Amend 2 Cal. Code Regulations Section 18946.4 to read:

2 **§ 18946.4 ~~Reporting and~~ Exception — Valuation of Gifts: ~~Tickets~~ Attendance**

3 **~~Provided by at Nonprofit and or Political Organizations~~ Organization for Their**  
4 **Fundraising Events.**

5 This regulation ~~applies to a single ticket~~ establishes the value of a ticket or other  
6 admission privilege by invitation to a specific fundraising event when the ticket or  
7 invitation to attend is provided to a public official by fundraising event for a nonprofit or  
8 political organization holding its own fundraiser.

9 (a) Nonprofit Fundraiser. Except as provided in subdivision (b), the value of a  
10 ~~gift of a ticket or admission by invitation, pass, or other admission privilege~~ to a  
11 fundraising event for a non-profit, tax exempt organization that is not a committee  
12 covered by subdivision (c) is determined as follows:

13 (1) ~~Where~~ When the ticket clearly states that a portion of the ticket price is a  
14 donation to the organization, or the organization provides information indicating the  
15 portion of the admission price that constitutes the donation, the value of the ~~gift~~ benefit  
16 received is the face value of the ticket reduced by the amount of the donation  
17 nondeductible portion of the admission.

18 (2) If there is no ticket or other official information provided by the organization  
19 indicating a face the value of the nondeductible portion of the admission ~~the or the ticket~~  
20 ~~or other admission privilege has no stated price or no stated donation portion,~~ the value of  
21 the ~~gift~~ benefit provided by the admission is the pro rata share of the cost of the food, ~~and~~  
22 beverages and entertainment as determined under Regulation 18946.2 for invitation-only

1 ~~events, plus any~~ Any other specific benefit item presented provided to the official at the  
2 event, such as golf green fees, is valued at fair market value.

3 (b) 501 (c)(3) Organization Fundraiser. ~~Where~~ When the event is a fundraising  
4 event for an organization exempt from taxation under Section 501(c)(3) of the Internal  
5 Revenue Code, the organization may provide ~~one ticket~~ two tickets or invitations per  
6 event to an official and ~~that ticket shall be deemed to have no value~~ any benefits received  
7 by the official and guest by virtue of the admission shall be deemed not to confer a  
8 personal benefit to the official or guest. ~~so long as the cumulative value of the~~  
9 ~~nondeductible portion of the ticket(s) as provided in subdivision (a), received by the~~  
10 ~~official from the same organization during a calendar year, does not exceed the gift limits~~  
11 ~~imposed under Section 89503 and Regulation 18940.2.~~ Additional tickets or admissions  
12 by invitation provided to or controlled by the official and any tickets not provided  
13 directly by the 501(c)(3) organization to the official are valued under subdivision (a)  
14 above.

15 (c) Political Fundraiser. For a ~~gift of a ticket or invitation, pass, or other~~  
16 ~~admission privilege~~ to attend a fundraising event for a committee defined in Section  
17 82013(a), or a comparable committee regulated under federal law or the laws of another  
18 state ~~holding an event in California~~, the committee or candidate may provide ~~one ticket~~  
19 two tickets or invitations per event to an official and ~~that ticket or invitation shall be~~  
20 ~~deemed to have no value~~ and the attendance at the event by the official shall be deemed  
21 as equal or greater consideration for any admission benefit provided to the official so  
22 long at all those attending the event receive the same benefit. For purposes of Section  
23 89501, the payment described herein is not an honorarium.

1           NOTE: Authority cited: Section 83112, Government Code. Reference: Sections  
2   82028, 87207 and ~~87302~~ 89503, Government Code.

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1     **Rescind 2 Cal. Code Regs. Section 18946.5:**

2     **§ 18946.5 Prizes and Awards From Bona Fide Competitions.**

3             ~~A prize or award received shall be reported as a gift unless the prize or award is~~  
4     ~~received in a bona fide competition not related to the recipient's status as an official or~~  
5     ~~candidate. A prize or award which is not reported as a gift shall be reported as income.~~

6     ~~Note: Authority cited: Section 83112, Government Code. Reference: Sections 82028,~~  
7     ~~82030, 87207, and 87302, Government Code.~~

8     [Note: Moved to Regulation 18942]



1 Amend 2 Cal. Code Regs. Section 18946.6 to read:

2 **§ 18946.6 Reporting and Exception — Valuation of Gifts: Air Transportation**

3 Air transportation ~~that is a gift to a public official shall be~~ is valued as follows:

4 (a) ~~For~~ The value of transportation on a "commercial aircraft flight," ~~the value of~~  
5 ~~the ticket or fare~~ is the price the carrier charges ~~to a member of~~ the public for the same  
6 ~~transportation class seat on the flight~~ provided to the official. For purposes of this  
7 regulation, "commercial aircraft flight," means ~~an aircraft used to transport a flight where~~  
8 individual seats are sold to the general public for compensation or hire on a regular basis,  
9 and for which a fare is charged on a per passenger basis in the general course of business.

10 (b) ~~For~~ The value of all other air transportation, ~~the value of the normal and~~  
11 ~~usual charter fare or rental charge for a comparable airplane of comparable size, divided~~  
12 ~~by the number of all of the following persons that share the same flight:~~ is the price of a  
13 first class ticket for a commercial flight for the same trip or, if no first class ticket is  
14 available, the usual charter rate of the flight or of the pro-rata share of the actual cost  
15 determined by the number of passengers aboard the flight.

16 (1) ~~"Designated employees" as defined in Section 82019~~

17 ~~(2) Public officials specified in Section 87200.~~

18 ~~(3) Members of Congress, and officers and employees of the executive,~~  
19 ~~legislative, or judicial branch of the United States government.~~

20 (c) ~~The actual cost or fair market value of any other personal benefits provided to~~  
21 ~~the official during the air transportation, including food, beverages, or entertainment,~~  
22 ~~shall be treated as a separate gift to the official unless the benefit is included as part of the~~  
23 ~~fare determined in subdivision (a) or (b).~~

1    Note: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
2    872207, 87302, and 89501 through 89506 Government

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1     Rescind Regulation 18950.1

2     **§ 18950.1. Travel Payments: Exceptions.**

3             ~~The following provisions shall apply to payments made for travel pursuant to~~  
4     ~~Government Code Sections 89501 through 89506:~~

5             ~~(a) Travel In Connection With Speeches, Panels, and Seminars.~~

6             ~~(1) Only a reportable payment is subject to the limitations on gifts specified in~~  
7     ~~Government Code Section 89503. See California Code of Regulations, Title 2, Section~~  
8     ~~18950.3, to determine whether a payment in connection with a speech, panel, or seminar is~~  
9     ~~reportable.~~

10            ~~(2) A payment made for travel, including actual transportation and related lodging~~  
11     ~~and subsistence, is not subject to the prohibitions or limitations on honoraria and gifts~~  
12     ~~specified in Government Code Sections 89501, 89502, or 89503 if:~~

13            ~~(A) The travel is reasonably related to a legislative or governmental purpose, or to an~~  
14     ~~issue of state, national, or international public policy, and~~

15            ~~(B) The travel, including actual transportation and related lodging and subsistence, is~~  
16     ~~in connection with a speech given by the official or candidate; the lodging and subsistence~~  
17     ~~expenses are limited to the day immediately preceding, the day of, and the day immediately~~  
18     ~~following the speech; and the travel is within the United States. Except as otherwise provided~~  
19     ~~by California Code of Regulations, Title 2, Section 18950.3, any payment made for travel~~  
20     ~~specified in this subdivision (a)(2), shall be reported in accordance with Government Code~~  
21     ~~Section 87207(c).~~

22            ~~(b) Travel Provided by Governmental Entity or Charity. A payment made for travel,~~  
23     ~~including actual transportation and related lodging and subsistence, is not subject to the~~

1 prohibitions or limitations on honoraria and gifts specified in Government Code Sections  
2 89501, 89502, or 89503 if:

3 (1) ~~The travel is reasonably related to a legislative or governmental purpose, or to an~~  
4 ~~issue of state, national, or international public policy; and~~

5 (2) ~~The payment is provided by a government, a governmental agency, a foreign~~  
6 ~~government, a governmental authority, a bona fide public or private educational institution,~~  
7 ~~defined in Section 203 of the Revenue and Taxation Code, or by a nonprofit organization that~~  
8 ~~is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, or by a person~~  
9 ~~that is domiciled outside the United States and that substantially satisfies the requirements for~~  
10 ~~tax exempt status under Section 501(c)(3) of the Internal Revenue Code. Except as provided~~  
11 ~~by California Code of Regulations, Title 2, Section 18950.3, any payment, made for~~  
12 ~~transportation, lodging, and subsistence, specified by subdivision (b), shall be reported in~~  
13 ~~accordance with Government Code Section 87207(e).~~

14 (c) ~~Travel Paid From Campaign Funds. A payment made for transportation and~~  
15 ~~necessary lodging and subsistence, which payment is made from campaign funds as~~  
16 ~~permitted by Government Code Section 89513, or which is a contribution, is not an~~  
17 ~~honorarium or a gift.~~

18 (d) ~~Travel Provided By Official's Agency. A payment made for transportation and~~  
19 ~~necessary lodging and subsistence, which payment is made by the agency of an official, is~~  
20 ~~not an honorarium or a gift.~~

21 (e) ~~Travel In Connection With Bona Fide Business. A payment made for~~  
22 ~~transportation, lodging, and subsistence, which payment is reasonably necessary in~~  
23 ~~connection with a bona fide business, trade, or profession, and which satisfies the criteria for~~  
24 ~~federal income tax deductions for business expenses specified in Sections 162 and 274 of the~~

1 ~~Internal Revenue Code, is not an honorarium or gift unless the sole or predominant activity of~~  
2 ~~the business, trade or profession is making speeches.~~

3 ~~Note: Authority cited: Section 83112, Government Code. Reference: Sections 86111,~~  
4 ~~87207 and 89501 through 89506, Government Code.~~

1    **Amend 2 Cal. Code Regs. Section 18950.3 to read:**

2    **§ 18950.3. Payments in Connection with Speeches.**

3    (a) ~~Definitions:~~ For the purposes of ~~this regulation~~ Section 89506, the following definitions  
4    apply:

5            (1) “Speech” means making a speech, participating on a panel, or making a  
6    substantive formal presentation at a seminar or similar event.

7            (2) ~~Lodging, food or beverages are “necessary” only when~~ Related lodging and  
8    subsistence provided on the day immediately preceding, the day(s) of, and the day  
9    immediately following the speech, ~~panel, seminar, or similar service~~ include any lodging and  
10   food provided at the location where the event is being held provided the lodging and food are  
11   not substantially dissimilar to the lodging and food provided to other attendees at the event.

12           (b) A payment made for an official’s admission to an event at which an official  
13   makes a speech, ~~transportation, and necessary lodging, food, or beverages, and nominal non-~~  
14   ~~cash benefits provided to the official in connection with making the speech is not a~~  
15   ~~“payment” as defined in Section 82044 and is not reportable if all of the following apply:~~

16           (1) ~~The speech is for official agency business and the official is representing his or~~  
17   ~~her government agency in the course and scope of his or her official duties.~~

18           (2) ~~The payment is a lawful expenditure made only by a federal, state, or local~~  
19   ~~government agency for purposes related to conducting that agency's official business. For~~  
20   ~~purposes of this subdivision, a payment made to the agency by a nongovernmental source~~  
21   ~~that is earmarked for use by or reimbursement of an official specified by the source is not a~~  
22   ~~“payment by a federal, state, or local government agency.”~~

1           ~~(3) The official making the speech is not a state or local elected officer, as defined in~~  
2   ~~Section 82020, or an official specified in Section 87200.~~

3           Note: Authority cited: Section 83112, Government Code. Reference: Sections 82028,  
4   82030 and 89501-89506, Government Code.

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